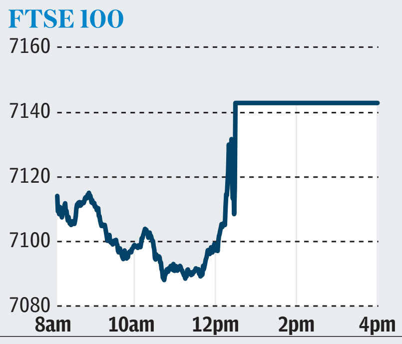
The Daily Telegraph

Business

Markets

FTSE 100



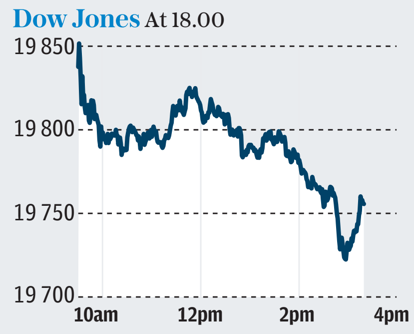
7142.83
+22.57 (+0.32pc)

52WkHigh	7129.83	
52WkLow	5499.51	
Yield	3.65pc	-0.01
P/E ratio	33.71	+0.11

Biggest riser *Coca-Cola HBC*
1770p
+38.00 (+2.19pc)

Biggest faller *Rolls Royce*
668p
-10.00 (-1.47pc)

Dow Jones At 18.00



19790.39
-29.39 (-0.15pc)

52WkHigh	19987.63
52WkLow	15450.56

FTSE 250	18077.27	+47.77 (+0.27pc)
FTSE All Share	3873.22	+12.17 (+0.32pc)
FTSE All Share Yield	3.47	-0.01
FTSE Eurotop 100	2822.26	+8.35 (+0.30pc)
Nikkei 225	19114.37	-30.77 (-0.16pc)
DJ Eurostox 50	3290.52	+18.76 (+0.57pc)
S&P 500	2241.51	-7.75 (-0.34pc)
Nasdaq	5387.20	-44.88 (-0.83pc)

Market report page 34

Currencies

£$
Rate **1.2356**
Change **+1.29¢**

£€
Rate **1.1715**
Change **+0.58¢**

Commodities

Gold
At 18.00
$1155.87
(£935)
-3.62 (-0.31pc)

Brent Crude
At 18.00
$56.75
(February)
+0.65 (+1.16pc)

Inside

Eastern promise
Why the West should not worry about globalisation
Andrew Sentance
Page 36

Bored of the board
Hargreaves Lansdown boss on why he's quitting his job and going back to basics
Page 37

Firms call for separate business rates in London

Properties should be 'uncoupled' from national system to avoid huge tax hikes, companies say

By **Ashley Armstrong** *and* **Alan Tovey**

LONDON properties should be uncoupled from the national business rates system to prevent companies in the capital being treated as a cash cow, the city's firms say.

Businesses in London could be forced to hand over an extra £4bn during the next five years under a revaluation which has led the London Chamber of Commerce and Industry to call for the capital to have a separate business rates system or risk a "profound" impact on the capital's economy.

The extra rates burden could force small, independent shops, bars and restaurants, which are already reeling from rocketing rents, to close down or move to cheaper locations, the LCCI has warned.

Property values in London have soared since the last revaluation in 2008, meaning that many business will be hit with rocketing bills under the new regime. Business rates are often the third biggest outgoing for companies after salaries and rents.

In total, the extra burden for London could be as much as £885m a year because of a revaluation due in April, as companies across the city face an average rise of 11pc.

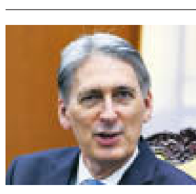
Few other areas have seen values rise so significantly, with the result that businesses in the capital will pay disproportionately more than elsewhere in the UK.

St Pancras Station will face the biggest jump in rates, paying £10.1m a year, an increase of £21.5m or 73pc over the next five years, exclusive analysis for *The Daily Telegraph* by CVS, the business rates specialist, has found.

The Royal London Hospital in Whitechapel will also be facing a £13.5m jump in its rates bill over the next five years while the demand on the BBC for Broadcasting House in Portland Place will rise by £19.5m. Harrods, Selfridges and John Lewis will also face steep rises, CVS calculated.

Some West End retailers, and office occupiers in Shoreditch, will see bills more than double as a result of the delayed revalution, which was held back by two years to prevent the changes from taking effect just before the last general election.

The Chancellor of the Exchequer, Philip Hammond, has proposed a relief scheme that would limit increases for business to 42pc in a year. This has been labelled woefully inadequate by critics, who pointed out that in the last business rates revaluation, rises were capped at 12.5pc.


Philip Hammond, the Chancellor, has proposed a cap on business rate rises of 42pc, but critics says this is inadequate

Colin Stanbridge, chief executive of the LCC, said: "The Government should consider proposals for London to be 'uncoupled' from the national, valuation system that gives London's businesses an unfair deal.

"We are not asking for special treatment for London nor do we seek to implement changes that will see the rest of the country lose out, but at the same time we do not want to risk businesses shutting up shop or moving out of London altogether. We need to be wary of potential pitfalls including business being viewed as a 'cash cow'."

The LCCI said there was a case for "substantive" changes to the rates system, including breaking the link between revaluations and the fixed tax yield it generates.

PHOTOFUSION/REX/SHUTTERSTOCK

Profit menace DC Thomson, the Dundee-based newspaper and magazine publisher behind The Beano, overcame a slump in advertising caused by the impact of low prices on the Aberdeen oil industry to report a 12pc increase in turnover, to £275.3m. Pre-tax profit was down nearly a fifth, however, to £24.2m, on higher newsprint costs and pension contributions.

Capital's bosses are top for 'ego' office space

By **Rhiannon Bury**

EXECUTIVES in financial firms in London enjoy 75pc more "ego space" than their support staff, the most in any leading financial centre, including New York, Hong Kong and Singapore.

A report from the property adviser Knight Frank which examined the ratio of office space given to executives working for financial companies compared to their support staff, found New York bosses had 67pc more space than their staff members, while in Singapore and Hong Kong it was 50pc.

Frankfurt and Paris were more egalitarian than London with boss-to-minion space ratios of 67pc and 50pc respectively.

However, London was still well below some major cities. Executives in Mumbai have five times as much space as their support staff, while senior employees in Toronto have three times as much. The most egalitarian is Sydney, where financial executives have only 19pc more space than support staff.

Richard Proctor of Knight Frank said firms in London were moving away from hierarchical space plans, "partly due to the influence of the tech sector, and also the sheer cost of office space".

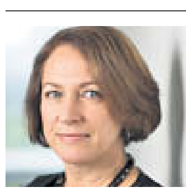
Former PwC boss and economist who warned of cost of EU exit join New Year's honours list

By **Marion Dakers**

THE former chairman of the accountancy group PwC is being knighted as part of a New Year's honours list that includes an array of business luminaries and an economist who warned of the cost of Brexit.

Ian Powell, who left PwC in the summer after nearly four decades, will receive a knighthood for his work in both professional services and charitable causes.

Inga Beale is receiving a damehood for services to the economy for her role as chief executive of Lloyd's of London.


Inga Beale, CEO of Lloyd's of London, is to become a dame for services to the economy

Professor John Van Reenen, who predicted before the referendum that Brexit would cost up to £1,700 per household per year, has been given an OBE for services to economics and public policy making.

Other academics to receive honours include Professor Paul Cheshire, who has argued that the green belt should be opened up to ease the housing crisis. He will receive a CBE in the honours, which recognise 1,197 people in total.

Anya Hindmarch, whose handbag business earned her an MBE in 2009, will be given a CBE. Fellow retail veteran Don McCarthy, who chaired House of Fraser until 2014, will be made a CBE for services to business and philanthropy.

The chief executive of the Tough Mudder endurance course business, Will Dean, is to become an MBE.

Tullett Prebon completes Icap deal to create world's biggest interdealer broker

By **Marion Dakers**

TWO of the City's biggest brokers have completed their billion-pound deal to split into a voice-broking powerhouse and an electronic markets specialist.

Tullett Prebon has bought ICAP's phone-based broking business in an all-stock deal worth £1.28bn, as it hopes to cut overlapping compliance and technology costs.

The complex transaction was first announced in November 2015 and has been tweaked to satisfy regulators, which called for the sale of ICAP's oil-trading desk to encourage competition.

£1.28bn
The amount paid by Tullett Prebon for ICAP's phone-based broking business, in a deal aimed at cutting overlapping costs

John Phizackerley, who will lead the newly enlarged TP ICAP, said the deal "creates the leading interdealer broker in the world".

Big institutional traders such as banks will now make bond and derivative trades through TP ICAP's 3,425 brokers in 31 countries. Inter-dealer brokers act as the middlemen in complicated or illiquid trades that cannot be made on the open market.

For now, the former Icap brokers will remain at their old firm's offices and some will compete with their Tullett colleagues. ICAP's annual charity day is also moving to Tullett.

Meanwhile, the remainder of ICAP, now renamed NEX, will be overhauled after jettisoning the voice-broking operations. The group intends to shift its focus to services such as financial data, electronic trading and a small-cap exchange.

Workers in Japan told to go home early once a month to cut stress

By **Jon Yeomans**

JAPAN, a country notorious for long working hours and devotion to strict workplace rules, now wants its workforce to take things a little easier.

From February, Japan will implement so-called "Premium Friday", encouraging staff to go home early on the last Friday of the month. The initiative will begin in central Tokyo and will be rolled out nationwide from April.

The scheme, put forward by the Ministry of Economy, Trade and Industry (METI), is designed to curb excessive working hours and spur workers to go out and let their hair down – boosting spending in Japan's sluggish economy, which is 60pc reliant on private consumption.

Japan has long been known for its rigid workplace practices, with workers famed for refusing to leave their desks while the boss is still in the office. Meanwhile, Japanese workers typically use just half of their annual paid leave entitlements.

The phenomenon of "karoshi" – death by overwork – has come back under the spotlight following the suicide of a 24-year-old employee at advertising agency Dentsu.

The graduate employee reportedly left a note for her mother that asked: "Why do things have to be so hard?" after putting in hundreds of hours of overtime. The scandal led to Dentsu chief executive Tadashi Ishii announcing his resignation earlier this week.

More than 25,000 people took their own lives in Japan in 2014 – about 70 per day – three times the rate of suicide in Britain. The number of cases of karoshi is thought to run into the hundreds per year. However reforming Japan's ingrained culture of hard work may be an uphill task.

The Premium Friday scheme is voluntary and it is unclear how many companies will take part, with even the METI unsure whether its staff would be allowed to participate.

The nation's biggest business lobby, Keidanren, has written to its 1,300 member companies, encouraging them to back the scheme.

Hammerson sells stake in centre

By **Rhiannon Bury**

HAMMERSON is to sell half its new Watermark leisure complex in Southampton to Singapore's sovereign wealth fund for £48.5m.

GIC has agreed to buy the 50pc stake in the development, adding to its $100bn (£81m) portfolio of assets.

The fund already owns a stake in the wider West Quay shopping centre in Southampton, of which Watermark is a part, contracting Hammerson to manage the centre on its behalf. The Watermark development, which opened last month, is home to restaurants such as Five Guys and Franco Manca, plus brands such as Casa Brasil, Cosmo and Red Dog Saloon, many of which have taken their first locations outside London. It also contains a Hollywood Bowl and a 10-screen Showcase Cinema, which will open in February.

Hammerson chief executive David Atkins said the development was the largest of its kind in the UK, as shopping centre developers increasingly diversify their mix of tenants.